IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

FAO No.151 of 1989
DATE OF DECISION: 20.9.2006
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United India Insurance Co. Ltd.
..APPELLANT

VS.

Kailashwati and others.
..RESPONDENTS

CORAM: HON'BLE MR. JUSTICE ARVIND KUMAR,

Present:- Mr. R.M. Suri, Advocate
for the appellant.

Mr. Harish Aggarwal, Advocate
for the respondents. No.4 & 5.
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JUDGMENT:

On 30.8.1987 Virender Kumar died in a motor vehicular accident which resulted into filing of claim petition under Section 110-A of the Motor Vehicles Act (for short the Act) by respondents No.1 to 3 (hereinafter called as claimants) alleging therein that the said accident had taken place due to rash and negligent driving of auto rickshaw No. HYG-2969 by its driver Om Parkash (respondent No.5). The insurance company i.e. appellant herein was impleaded as a party as the vehicle in question was insured by it whereas respondents No.4,was arrayed being the owner of the auto rickshaw in question bearing registration No. HYG-2969

The respondents contested the claim. Their stand was that neither the auto rickshaw in question was driven by respondent Om Parkash nor he was under the employment of respondent Krishan Kumar, the owner of the said vehicle.

Learned MACT, after analysing the oral as well as documentary evidence adduced by the parties, vide the impugned award dated 16.11.1988 held respondent Nos.4, 5 and the appellant-insurance company jointly and severally liable to pay compensation of Rs.1,15,200/-, so assessed, along with interest @ 12% p.a. to the claimants.

Dissatisfied with the same, the insurance company has preferred the instant appeal with the plea that the limit of liability of Insurance Company was only to up Rs.50,000/-. .

I have heard learned counsel for the parties and have perused the record of the case carefully.

There is no dispute to the proposition of law as has been held in **New India Assurance Co. Ltd. Vs. C.M. Jaya and others 2002 ACJ 217** that even if a vehicle is the subject matter of comprehensive insurance and a higher premium is paid on that score, limits of the liability with regard to third party risk does not become unlimited or higher beyond the statutory liability fixed. A separate premium has to be paid in respect of additional amount of liability undertaken by the insurer in that regard. In the instant case, a bare perusal of the Insurance Policy Ex.R1 shows that extra premium of Rs.146/- and Rs.217/- had been paid. That being the case, liability of the insurance company-appellant, which has charged higher premium, covers the third party risk for unlimited liability.

In view of the discussion made above, there is no merit in this appeal. The same being devoid of any merit is dismissed, leaving the parties to bear their own costs.

(ARVIND KUMAR)
JUDGE

July 21 ,2006
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